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PACIFIC TELESIS
Group-Washington

December 3, 1996

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DEC 3 - 1996

Federal Communications Commission
Office of Secretary

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Re: *CC Docket No. 92-77, Billed Party Preference for 0+ InterLATA Calls*

On behalf of Pacific Telesis Group, please find enclosed an original and six copies of its *"Reply Comments"* in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,

Alan Ciamporcero

Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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DEC 3 - 1996

Federal Communications Commission
Office of Secretary

In the Matter of Billed Party Preference for 0+ InterLATA Calls	CC Docket No. 92-77

<u>REPLY COMMENTS OF PACIFIC TELESIS GROUP</u>

Pacific Telesis Group files these reply comments responding to various arguments and statements made by Commenters.

At the outset we note the issue raised by Intellicall (fn 1) that the on demand rating information referred to by the Bureau in its request for comment applies only to calls exceeding some benchmark. Obviously, our position on many of these issues changes depending on whether the on-demand call rating applies to all interLATA 0+ calls, or just those that exceed some benchmark level. We are assuming that the questions refer to the latter. We also agree with USWest that intraLATA 0+ calls are <u>not</u> included in this docket.

On demand call rating is available today by traditional means. A customer can dial 0 or 00 to get access to a live operator who can respond to questions relating to the price of a particular call. In addition, pay telephones are required to have signage including an 800 number for customer inquiries. These very traditional means are known to most consumers, and will continue to be a source of consumer information. We agree with USWest that the Commission should launch a consumer education campaign capitalizing on these traditional methods. We support this sort of educational campaign. In addition, USWest suggests that the Commission could advise consumers to stay on the line after the branding announcements to be connected to a live operator who can then help them with pricing information.[1]

Question 2

We agree with the near unanimous view that currently no technology exists that would provide on demand call rating information.

Question 4

We agree with MCI that convenience is a key factor in customer satisfaction with 0+ service. Adding rate quote information to every call, whether or not the customer wants it, would be extremely disruptive to many customers. While we do not have data for interLATA calls, only a small portion of our intraLATA customers seek rate quotes from our operators. This, of course, may be due to the fact that we have not had excessive pricing for intraLATA calls. However, we agree with those parties who question whether there is demand for interLATA rate quote information on every call.

California claims that its experience from its 900 proceedings leads it to conclude that "price disclosure prior to call completion will not create an unacceptable delay to consumers." (p. 5). However, the disclosure applicable to 900 services is a very different animal from price disclosure for 0+ calls.

[1] USWest, p. iii, 10; as stated earlier, intraLATA 0+ calls would not be subject to these requirements.

In the 900 service arena, California requires the information service provider to audibly disclose to the caller the price to be charged on a per minute basis. The provider must then give the consumer an opportunity to hang up without incurring any charges. One important difference between 900 and 0+ is that 900 rates are postalized--the same rates are charged to each consumer who calls the number regardless of the originating location. With 0+, the price to be charged varies with the originating and terminating location, time of day, type of call, and various other specifics of the call. With 900 price disclosure, the disclosure occurs after the call has been completed to the 900-NXX-XXXX number. The disclosure is on the terminating line of the call. With 0+ calling, the disclosure would need to be prior to connection on most calls. And, with 0+, both the originating and terminating numbers will vary with each call made; the disclosure apparatus cannot be sited on a particular terminating number or line. Thus, 900 disclosure cannot be considered a model for how 0+ disclosure should work. As demonstrated, the disclosures involved are so dissimilar as to be irrelevant.

California states that the possibility of a BPP alternative increases as local number portability develops. Pacific has pointed out in previous filings that the local number portability database, and the database needed to implement a BPP-type arrangement are subject to completely different design rules, have different applications, and are not compatible. The databases that will be deployed for LNP will ONLY contain information on ported numbers. In contrast, BPP requires a database to contain all numbers. If the LNP data base is expanded to include all numbers it will add unnecessary expense to the database, and will come at the cost of reduced performance for LNP. Furthermore, the LNP database, as presently specified, does not accommodate carrier selection information. Because of these issues, the LNP database is a poor candidate for BPP.

Another issue with BPP is in determining where in the call flow carrier selection should take place. Presently, only the operator services switch can prompt customers to input billing information (e.g., calling card number + PIN). However, one of the problems with the BPP design previously discussed was that even though carrier selection should occur prior to any carrier's operator services switch touching the call, the LEC's OSS performed this prompt. Using the LNP database does not address or solve this fundamental issue. California's claim that "the incremental cost to query the [number portability] database for the customer's preferred OSP might well be less than the incremental benefits that BPP would provide" (p.2) is not true. The two cannot fit together.

We disagree with APCC's position which states that if on demand call rating is required, that store and forward sets be grandfathered (APCC p 2). Such a grandfathering may have significant effect on the marketplace. If an OSP, who charges exorbitant rates, happens to use all store and forward sets, and those sets are then grandfathered, the rules will be for naught. High prices would continue to be charged, and the non-offending OSPs will be stuck putting in more costly and less convenient systems. Any rule should apply across the board. The consumer's interest in knowing the price of a call is the same whether the call originates on a store and forward set or some other way.

Comptel suggests that each 0+ carrier should implement a system whereby it provides an audible disclosure immediately after its carrier brand which alerts the customer that he can obtain rate information by dialing a specific digit or digits. Comptel proposes that every 0+ carrier implement this disclosure regardless of the rates it charges. While Comptel's proposal may be more workable than on demand call rating, it too has problems. First, it purports to apply to all calls, not just those exceeding a benchmark. For the great majority of calls within the benchmark, this additional disclosure is unnecessary, unduly time consuming and will increase costs that provide no benefit. In addition, many callers dial immediately after hearing the bong tone. For those callers, the disclosure is lost and again results in a "solution" not targeted to any problem. The Commission should first consider education as an answer to excessive operator service rates that targets the problem before crafting a solution that will likely surface the same problems faced with the Billed Party Preference solution--one in which the costs involved outweigh the benefits.

Respectfully submitted,

PACIFIC BELL

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Date: December 3, 1996

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